

27 May 2021

ASX RELEASE

ASX: OGA

Esperance Project Update

SUMMARY

- Additional 107 hectares of land secured with the opportunity for a more favourable footprint, and significant potential expansion of the long-term growth potential of the OGA & Yumbah Esperance onshore abalone hatchery and grow out facility (Esperance Project).
- Esperance Project Bankable Feasibility Study (BFS) on schedule to be delivered in Q2 of FY22.

DETAILS

Ocean Grown Abalone Ltd (ASX Code: OGA, the Company) is pleased to announce that it has jointly secured with Yumbah Aquaculture Limited (Yumbah) a two-year option to purchase a 107ha portion of land at Lot 4 Wylie Bay Road, Esperance, Western Australia. This parcel of land will form part of the potential future joint venture with Yumbah to develop a large onshore abalone hatchery and grow out facility in Esperance, Western Australia (**Esperance Project**).

The 107ha portion of Lot 4 Wylie Bay Road is immediately adjoining the existing parcel of land (170 Wylie Bay Road, Esperance) leased from the Shire of Esperance, which also carries an option to purchase until July 2022.

The two land parcels offer the development parties a combined area of 143ha for the siting of the proposed 600T per annum abalone aquaculture development that is currently the subject of a Bankable Feasibility Study.

This is a unique parcel of land from an aquaculture development perspective offering:

- Access to pristine oceanic water of a temperature profile ideally suited to abalone aquaculture (14-21°C);
- Low lying land of a favourable topography for building abalone tanks and supplying the seawater;
- A location only a 5 min drive from the town of Esperance for access to labour, support services and contractors;
- The potential future expansion of abalone production or other aquaculture opportunities that may arise.

Terms of Option Agreement

A summary of the proposed Option agreement terms are as follows:

Purchasers:	Yumbah Aquaculture Limited (ACN 082 219 636) of Unit 2/9 Rosberg Rd, Wingfield SA 5013 (Yumbah); and Ocean Grown Abalone Limited (ACN 148 155 042) of Level 3, 3 Cantonment St, Fremantle WA 6160 (OGA)
Property	The portion of Lot 4 Wylie Bay Road Esperance, which is south of Wylie Bay Road and extends to the coast. An area of approximately 107 hectares. A future subdivision application (to be agreed by all parties) will determine the exact boundaries.
Option Period	2 years from signing of option agreement.
Consideration	Purchase price \$1,800,000; A non-refundable deposit of \$40,000, payable upon signing the option agreement; and The Purchasers to secure and pay for required boundary realignment to subdivide the portion of Lot 4 as described above.



"Securing this option to purchase provides OGA and Yumbah, with a uniquely suitable area of land, presenting lower construction costs and significantly favourable expansion opportunities for the future development of this exciting Esperance Project. OGA and Yumbah continue to work well in progressing the Esperance Project plans while awaiting the results of the bank feasibility study (BFS), expected in Q2 of FY22." said Brad Adams, Executive – Corporate Development of OGA.

Background to the Yumbah Heads of Agreement

As announced to the ASX On 24th December 2020, OGA signed a Heads of Agreement (HoA) with Yumbah Aquaculture Limited (Yumbah) to progress the development of a large onshore abalone hatchery and grow out facility in Esperance, Western Australia (Esperance Project). The HoA includes binding obligations on both OGA and Yumbah to:

- (a) undertake and complete a Bankable Feasibility Study (BFS) in relation to the Esperance Project; and
- (b) make an investment decision of whether or not to proceed with the development of the Esperance Project (Investment Decision) within 3 months of receipt of the BFS.

END

This announcement was authorised to be given to the ASX by:

The Board of Ocean Grown Abalone Limited.

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About the Company

Ocean Grown Abalone Limited (ASX: OGA) has developed the world's first commercial greenlip abalone sea ranching business in the pristine waters of Flinders Bay, Western Australia. With the construction of proprietary, purpose-built artificial abalone reefs (called "Abitats") now complete, OGA is supplying commercial quantities of its premium, 'wild-harvested', greenlip abalone to local and overseas customers.

For more information visit <https://www.oceangrown.com.au>

Forward Looking Statements

This announcement may contain certain "forward-looking statements" which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, currency fluctuations, increased production costs and variances in recovery rates from those assumed, as well as political and operational risks in the Countries and States in which we operate or sell the product to, and governmental regulation and judicial outcomes. The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.